TO: RJR DIRECT CUSTOMERS

SUBJECT: PARTNERS PROMOTIONS

ALL DIRECT ACCOUNTS IN THE NEW YORK METRO AREA WERE CONTACTED AND PRESENTED OUR 1996 WHOLESALE PARTNERS PROGRAM. INCLUDED IN THE PRESENTATION WAS AN OVERVIEW OF HOW RJR *RETAIL PARTNERS* WOULD HAVE A POINT OF DIFFERENCE; SPECIFICALLY, BUY SOME GET SOME FREE PROMOTIONS (BSGSF), for RJR Partners only.

OUR RETAIL PARTNERS MAINTAIN CONTRACTED DISPLAYS AND ***EARN*** ACCRUAL FUNDS THAT ARE CONVERTED TO BSGSF. WHEN THIS PRODUCT IS SHIPPED TO A DIRECT CUSTOMERS WAREHOUSE A STORE LIST IS PROVIDED AND ONLY THOSE IDENTIFIED ACCOUNTS ARE TO RECEIVE THE PROMOTION.

WE HAVE COMMUNICATED THAT BSGSF PRODUCT IS NOT TO BE USED AS A TOOL TO LEVERAGE BUSINESS. IT WAS ALSO CLEARLY EXPLAINED THAT THE BSGSF SHOULD ONLY GO TO SPECIFIED CUSTOMERS IN QUANTITIES INDICATED AND ~~ABUSE~~ misuse OF THE PROMOTIONS WOULD BE ADDRESSED. UNFORTUNATELY, SEVERAL DIRECT CUSTOMERS IN THE NEW YORK METRO AREA HAVE ~~ABUSED~~ misused OUR RJR RETAIL PARTNERS PROMOTIONAL BSGSF PRODUCT. ***WE ARE DISAPPOINTED IN OUR WHOLESALE PARTNERS DISREGARD FOR OUR PROMOTIONS AND HAVE DECIDED TO TAKE FUTURE BSGSF PROMOTIONS AWAY FROM THOSE OFFENDERS FOR A PERIOD OF TIME.*** ALTERNATE MEANS WILL BE DEVELOPED TO ~~PREPARE AND~~ SUPPLY OUR RETAIL PARTNERS ~~SUPPLIED~~ serviced BY THE OFFENDERS.

TO THOSE WHOLESALE PARTNERS THAT HAVE EXECUTED OUR 1996 PROGRAMS AS DESIGNED, WE EXTEND OUR APPRECIATION. TO THOSE WHO HAVE CHOSEN TO ~~ABUSE~~ misuse THE PROGRAM, WE HOPE YOU WILL REALIZE ~~THE VALUE OF RJR PROMOTIONS AND~~ OUR COMMITMENT TO INSURE PROPER PROMOTION EXECUTION ~~IS ACHIEVED~~.

SOME MAJOR SUBJOBBERS AND LARGE RETAIL CUSTOMERS ~~LEND TO~~ encourage THE ~~ABUSE~~ misuse OF RJR AND ~~OTHER MANUFACTURERS~~ PROMOTIONS. WE HAVE BEEN AND WILL CONTINUE TO ADDRESS THESE PRESSURES AND REQUEST OUR DIRECT CUSTOMERS HANDLE ANY REQUESTS AS FOLLOWS:

- IF A SUBJOBBER OR MAJOR RETAILER REQUESTS ANY RJR PROMOTION, EITHER THE ACCOUNT OR DIRECT ACCOUNT SHOULD CONTACT THEIR RJR REPRESENTATIVE WHO WILL DETERMINE THE AVAILABILITY AND MAKE THE DECISION ON SHIPPING A SPECIFIC AMOUNT OF PROMOTIONAL PRODUCT

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Source: https://www.industrydocuments.ucsf.edu/docs/hfhy0000

ABUSE AND STOCKPILING OF RJR PROMOTIONS WILL NOT BE TOLERATED. WE MUST HAVE CRISP EXECUTION OF OUR PROMOTIONS WITHIN THE ESTABLISHED TIME FRAMES AND TO THE CUSTOMERS OF OUR CHOICE.

WE REGRET THE NEED FOR THE ABOVE ACTIONS AND THIS LETTER, HOWEVER, WE DO WANT OUR DIRECT ACCOUNTS AND SUBJOBBERS TO UNDERSTAND RJR PROMOTIONS ARE TO BE IMPLEMENTED IN THE RETAIL ACCOUNTS THAT ARE PARTNERING WITH RJR. AND Identified by RJR.

SINCERELY,

Gene.

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